

Honolulu, Hawaii

FEB 12 2019

RE: S.B. No. 1027

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 1027 entitled:

"A BILL FOR AN ACT RELATING TO HEARING AIDS,"

begs leave to report as follows:

The purpose and intent of this measure is to require health insurance policies and contracts issued after December 31, 2019, to provide coverage for the cost of hearing aids, up to \$1,500 per hearing aid for each hearing-impaired ear, with replacement coverage provided every thirty-six months.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board; O'ahu County Committee on Legislative Priorities of Democratic Party of Hawai'i; Isle Interpret, LLC; AARP of Hawaii; and three individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Commerce and Consumer Affairs, and Hawaii Medical Service Association.

Your Committee finds that hearing aids are expensive and current insurance is limited and requires a large co-payment. This prevents many individuals and families from obtaining hearing aids that would improve their access to information, quality of education, communication abilities, quality of life, and employment opportunities. Your Committee further finds that approximately eighty-five percent of individuals with hearing loss



go untreated, which ultimately results in higher health care costs and longer hospitalization, readmissions, and more visits to an emergency room. Your Committee further finds that in 2014, the Auditor submitted a sunrise study on the advisability of mandating insurance coverage for hearing aids, as proposed in S.B. No. 309, S.D. 1, Regular Session of 2013. The 2014 Auditor's report found that most insurance plans in Hawaii already covered or planned to cover the cost of hearing aids by 2015 but expressed concerns that S.B. No. 309, S.D. 1, had no limits on coverage, such as minimum or maximum costs covered by insurers or frequency of replacement. This measure addresses the concerns raised in the 2014 Auditor's report and includes a minimum coverage benefit of \$1,500 per hearing aid for each hearing-impaired ear every thirty-six months. Accordingly, a second impact assessment report is unnecessary.

Your Committee has heard the testimony from the Departments of the Attorney General and Commerce and Consumer Affairs, regarding the possibility that the mandated benefit under this measure may be considered an additional mandate for qualified health plans, which could potentially require state funds to defray the cost. Your Committee acknowledges these concerns and requests further consideration of these financing concerns by your Committee on Ways and Means.

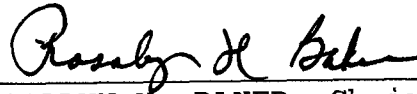
Your Committee has amended this measure by:

- (1) Clarifying that this measure shall be exempt from the Auditor's impact assessment report requirement under section 23-51, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1027, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1027, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* <i>SB 1027</i>	Committee Referral: <i>CPH, NAM</i>	Date: <i>2/5/19</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> ²³¹² Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
KEOHOKALOLE, Jarrett	✓			
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
FEVELLA, Kurt				✓
TOTAL	<i>6</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-size: 2em;"><i>[Signature]</i></div>				
Distribution: <div style="display: flex; justify-content: space-between; padding: 0 10px;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

*Only one measure per Record of Votes